



ABN 53 000 364 465

15 January 2018

### **TRADING UPDATE AND INTERIM DIVIDEND**

Euroz Limited (“Euroz”) has experienced a continuation of positive trading conditions and Funds Under Management (“FUM”) growth in the first half of the 2018 financial year.

Euroz expects an unaudited net profit after tax in the range of \$12.4 million to \$12.6 million for the 6 months to 31 December 2017 compared to a net profit after tax of \$13.2 million for the 6 months to 31 December 2016.

The Directors are pleased to announce a first half dividend of 1.75c per share fully franked.

Profitability was driven by strong appreciations in the value of our various investments and in particular by the share prices of our significant holdings in the Westoz Investment Company (“Westoz”) (ASX:WIC) and Ozgrowth Limited (“Ozgrowth”) (ASX:OZG).

Euroz Securities delivered Equity Capital Market (ECM) raisings of \$270 million versus last year’s very strong \$576 million. Our Corporate Finance pipeline provides good potential opportunities for the second half. Brokerage income at the half was steady, broadly spread and similar to the corresponding period. Euroz Securities FUM increased by 24% from \$237 million to \$294 million in this six month period.

Westoz and Ozgrowth experienced further improvements in gross investment performance for the half of 29.3% and 22.0% respectively, while the mark to market value of these investments contributed \$8.4 million after tax to this unaudited result. The strong performance of these listed investment companies is important as it improves the possibility of future performance fees which have been a major driver of past profitability for Euroz.

Entrust Private Wealth Management has seen a continuation of solid organic growth with an increase in FUM of 9% to \$777 million. We continue to more actively target external wealth businesses and advisers to join our wealth management platform to complement this steady organic growth.

Our Prodigy Investment Partners funds management strategy continues to require patience and a modest amount of capital.

Flinders Investment Partners (“Flinders”) has returned an excellent 6 month gross investment performance of 24.8% but the prior year’s performance has continued to affect near term funds flow.

Dalton Street Capital (“Dalton”) has now received independent research ratings from Zenith Investment Partners and SQM Research and has been approved on a growing number of investment platforms. Dalton has achieved gross investment performance since 30 June 2017 of 14.55% and calendar year to date performance of 26.92%. We are pleased that this

alternative investment fund has had substantial funds flow in recent months and closing FUM of \$66.4 million.

Group FUM remains a good general measure for all of our businesses and the Directors are pleased to report an increase of 16.5% from \$1.2 billion at 30 June 2017 to \$1.4 billion at 31 December 2017.

### **Summary**

The board is confident in our strategy to supplement our traditional transactional revenue streams with annuity revenue. We remind investors that our second half upside remains dependant on our ECM activity and funds management performance fees. The outlook for both of these significant variables is positive but also dependant on a continuation of good markets.

The relevant dates for the interim dividend are as follows:

<b>Interim Dividend:</b>	<b>1.75 cents fully franked</b>
<b>Ex-Dividend Date:</b>	<b>25 January 2018</b>
<b>Record Date:</b>	<b>29 January 2018</b>
<b>Payment Date:</b>	<b>2 February 2018</b>

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